

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7687**

**BILL NUMBER:** SB 583

**DATE PREPARED:** Feb 8, 2001

**BILL AMENDED:** Feb 8, 2001

**SUBJECT:** Collection Agency Licensing.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill creates the Collection Agency Licensing Board. The bill transfers control of collection agency licensing from the Secretary of State to the Collection Agency Licensing Board.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The bill creates the seven-member Collection Agency Licensing Board. The bill would require the Board to be administered by the Professional Licensing Agency (PLA) removing the administrative responsibilities of licensing collection agencies from the Office of the Secretary of State.

Board members that are not employees of the State are to receive salary per diem. All members would receive reimbursement for traveling expenses and expenses incurred in connection with the member's official duties to the Board. The PLA is required to provide a secretary of the board and other personnel necessary to fulfill the Board's duties. The PLA already has an executive director that could serve as the secretary to the Board. The PLA may require additional staffing to administer the license, as well as other additional non-personnel supplies such as phone, printing, and other related supplies for the Board. [This statement will be updated upon the receipt of further information.]

Currently, the Secretary of State administers licenses for 735 collection agencies. A fee of \$100 is charged for licensing a collection agency, and \$30 is charged per each branch of an agency. For example, if a collection agency had two branches, the total fee would be \$160. The current license is biennial in structure. The current renewal process is staggered with roughly half of the 735 licensed agencies renewing each year. The Secretary of State expends approximately \$25,000 to \$30,000 per fiscal year for the administrative responsibilities of the licensing process. The expenditures include one staff person and supplies required for licensing. In FY 2000, \$170,027 was collected in licensing fees from collection agencies, motor clubs, and notary publics. All fees collected from the listed professions are distributed into the General Fund.

The bill specifies that all appropriations for and funds held by the Secretary of State for the purpose of licensing collection agencies are continued and transferred to the Collection Agency Licensing Board. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** See Explanation of State Expenditures, above, regarding fees.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Secretary of State; Professional Licensing Agency.

**Local Agencies Affected:**

**Information Sources:** Brad Skolnik, Office of the Secretary of State, (317) 232-6690.